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10/747,841

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Hagai Katz

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MEYERTONS, HOOD, KIVLIN, KOWERT & GOETZEL, P.C.

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EXAMINER

NELSON, FREDA ANN

ART UNIT

PAPER NUMBER

3628

SHORTENED STATUTORY PERIOD OF RESPONSE	MAIL DATE	DELIVERY MODE
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3 MONTHS

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PAPER

**Please find below and/or attached an Office communication concerning this application or proceeding.**

If NO period for reply is specified above, the maximum statutory period will apply and will expire 6 MONTHS from the mailing date of this communication.

# Office Action Summary

Application No.

10/747,841

Applicant(s)

KATZ ET AL.

Examiner

Freda A. Nelson

Art Unit

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-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

## Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

## Status

- 1) ☒ Responsive to communication(s) filed on December 29, 2007.
- 2a) ☐ This action is **FINAL**. 2b) ☒ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

## Disposition of Claims

- 4) ☒ Claim(s) 1-23 is/are pending in the application.
- 4a) Of the above claim(s) \_\_\_\_\_ is/are withdrawn from consideration.
- 5) ☐ Claim(s) \_\_\_\_\_ is/are allowed.
- 6) ☒ Claim(s) 1-23 is/are rejected.
- 7) ☐ Claim(s) \_\_\_\_\_ is/are objected to.
- 8) ☐ Claim(s) \_\_\_\_\_ are subject to restriction and/or election requirement.

## Application Papers

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on \_\_\_\_\_ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.  
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).  
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

## Priority under 35 U.S.C. § 119

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All b) ☐ Some \* c) ☐ None of:
- ☐ Certified copies of the priority documents have been received.
  - ☐ Certified copies of the priority documents have been received in Application No. \_\_\_\_\_.
  - ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

\* See the attached detailed Office action for a list of the certified copies not received.

## Attachment(s)

- 1) ☒ Notice of References Cited (PTO-892)
- 2) ☐ Notice of Draftsperson's Patent Drawing Review (PTO-948)
- 3) ☒ Information Disclosure Statement(s) (PTO/SB/08)  
Paper No(s)/Mail Date 1/13/08
- 4) ☐ Interview Summary (PTO-413)  
Paper No(s)/Mail Date. \_\_\_\_\_
- 5) ☐ Notice of Informal Patent Application
- 6) ☐ Other: \_\_\_\_\_

### **DETAILED ACTION**

This is in response to a letter for a patent filed December 29, 2003 in which claims 1-23 were presented for examination. Claims 1-23 are pending.

### **Information Disclosure Statement**

The information disclosure statement (IDS) submitted on 06/13/2005 is in compliance with the provisions of 37 CFR 1.97. Accordingly, the information disclosure statement is being considered by the examiner. A copy of PTO-1449 is attached hereto.

### ***Claim Rejections - 35 USC § 101***

35 U.S.C. 101 reads as follows:

Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and requirements of this title.

**1. Claims 11-16 are rejected under 35 U.S.C. 101 because the claimed invention is directed to non-statutory subject matter. See detailed discussion below.**

First, a claimed signal is clearly not a "process" under § 101 because it is not a series of steps. The other three § 101 classes of machine, compositions of matter and manufactures "relate to structural entities and can be grouped as 'product' claims in order to contrast them with process claims." 1 D. Chisum, Patents § 1.02 (1994). The three product classes have traditionally required physical structure or material.

"The term machine includes every mechanical device or combination of mechanical device or combination of mechanical powers and devices to perform some function and produce a certain effect or result." *Corning v. Burden*, 56 U.S. (15 How.) 252, 267 (1854). A modern definition of machine would no doubt include electronic devices which perform functions. Indeed, devices such as flip-flops and computers are referred to in computer science as sequential machines. A claimed signal has no physical structure, does not itself perform any useful, concrete and tangible result and, thus, does not fit within the definition of a machine.

A "composition of matter" "covers all compositions of two or more substances and includes all composite articles, whether they be results of chemical union, or of mechanical mixture, or whether they be gases, fluids, powders or solids." *Shell Development Co. v. Watson*, 149 F. Supp. 279, 280, 113 USPQ 265, 266 (D.D.C. 1957), *aff'd*, 252 F.2d 861, 116 USPQ 428 (D.C. Cir. 1958). A claimed signal is not matter, but a form of energy, and therefore is not a composition of matter.

The Supreme Court has read the term "manufacture" in accordance with its dictionary definition to mean "the production of articles for use from raw or prepared materials by giving to these materials new forms, qualities, properties, or combinations, whether by hand-labor or by machinery." *Diamond v. Chakrabarty*, 447 U.S. 303, 308, 206 USPQ 193, 196-97 (1980) (quoting *American Fruit Growers, Inc. v. Brogdex Co.*, 283 U.S. 1, 11, 8 USPQ 131, 133 (1931), which, in turn, quotes the Century Dictionary). Other courts have applied similar definitions. See *American Disappearing Bed Co. v. Arnaelsteen*, 182 F. 324, 325 (9th Cir. 1910), *cert. denied*,

220 U.S. 622 (1911). These definitions require physical substance, which a claimed signal does not have. Congress can be presumed to be aware of an administrative or judicial interpretation of a statute and to adopt that interpretation when it re-enacts a statute without change. *Lorillard v. Pons*, 434 U.S. 575, 580 (1978). Thus, Congress must be presumed to have been aware of the interpretation of manufacture in *American Fruit Growers* when it passed the 1952 Patent Act.

A manufacture is also defined as the residual class of product. 1 Chisum, § 1.02[3] (citing W. Robinson, *The Law of Patents for Useful Inventions* 270 (1890)). A product is a tangible physical article or object, some form of matter, which a signal is not. That the other two product classes, machine and composition of matter, require physical matter is evidence that a manufacture was also intended to require physical matter. A signal, a form of energy, does not fall within either of the two definitions of manufacture. Thus, a signal does not fall within one of the four statutory classes of § 101.

**2. Claims 1-10 are rejected under 35 U.S.C. 101 because the claimed invention is directed to non-statutory subject matter. See detailed discussion below.**

As the Supreme Court held, Congress chose the expansive language of 35 U.S.C. § 101 so as to include "anything under the sun that is made by man." *Diamond v. Chakrabarty*, 447 U.S. 303, 308-09, 206 USPQ 193, 197 (1980). In *Chakrabarty*, 447 U.S. at 308-309, 206 USPQ at 197, the court stated:

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In choosing such expansive terms as "manufacture" and "composition of matter," modified by the comprehensive "any," Congress plainly contemplated that the patent laws would be given wide scope. The relevant legislative history also supports a broad construction. The Patent Act of 1793, authored by Thomas Jefferson, defined statutory subject matter as "any new and useful art, machine, manufacture, or composition of matter, or any new or useful improvement [thereof]." Act of Feb. 21, 1793, ch. 11, § 1, 1 Stat. 318. The Act embodied Jefferson's philosophy that "ingenuity should receive a liberal encouragement." V Writings of Thomas Jefferson, at 75-76. See *Graham v. John Deere Co.*, 383 U.S. 1, 7-10 (148 USPQ 459, 462-464) (1966). Subsequent patent statutes in 1836, 1870, and 1874 employed this same broad language. In 1952, when the patent laws were recodified, Congress replaced the word "art" with "process," but otherwise left Jefferson's language intact. The Committee Reports accompanying the 1952 Act inform us that Congress intended statutory subject matter to "include anything under the sun that is made by man." S. Rep. No. 1979, 82d Cong., 2d Sess., 5 (1952); H.R. Rep. No. 1923, 82d Cong., 2d Sess., 6 (1952). [Footnote omitted]

This perspective has been embraced by the Federal Circuit:

The plain and unambiguous meaning of section 101 is that any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may be patented if it meets the requirements for patentability set forth in Title 35, such as those found in sections 102, 103, and 112. The use of the expansive term "any" in section 101 represents Congress's intent not to place any restrictions on the subject matter for which a patent may be obtained beyond those specifically recited in section 101 and the other parts of Title 35.... Thus, it is improper to read into section 101 limitations as to the subject matter that may be patented where the legislative history does not indicate that Congress clearly intended such limitations.

*Alappat*, 33 F.3d at 1542, 31 USPQ2d at 1556.

35 U.S.C. § 101 defines four categories of inventions that Congress deemed to be the appropriate subject matter of a patent: processes, machines, manufactures and compositions of matter.

Federal courts have held that 35 U.S.C. § 101 does have certain limits. First, the phrase "anything under the sun that is made by man" is limited by the text of 35 U.S.C.

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§ 101, meaning that one may only patent something that is a machine, manufacture, composition of matter or a process. See, e.g., *Alappat*, 33 F.3d at 1542, 31 USPQ2d at 1556; *In re Warmerdam*, 33 F.3d 1354, 1358, 31 USPQ2d 1754, 1757 (Fed. Cir. 1994). Second, 35 U.S.C. § 101 requires that the subject matter sought to be patented be a “useful” invention. Accordingly, a complete definition of the scope of 35 U.S.C. § 101, reflecting Congressional intent, is that any new and useful process, machine, manufacture or composition of matter under the sun that is made by man is the proper subject matter of a patent.

The subject matter courts have found to be outside of, or exceptions to, the four statutory categories of invention is limited to abstract ideas, laws of nature and natural phenomena. These three exclusions recognize that subject matter that is not a practical application or use of an idea, a law of nature or a natural phenomenon is not patentable. See, e.g., *Rubber-Tip Pencil Co. v. Howard*, 87 U.S. (20 Wall.) 498, 507 (1874) (“idea of itself is not patentable, but a new device by which it may be made practically useful is”); *Mackay Radio & Telegraph Co. v. Radio Corp. of America*, 306 U.S. 86, 94, 40 USPQ 199, 202 (1939) (“While a scientific truth, or the mathematical expression of it, is not patentable invention, a novel and useful structure created with the aid of knowledge of scientific truth may be.”); *Warmerdam*, 33 F.3d at 1360, 31 USPQ2d at 1759 (“steps of ‘locating’ a medial axis, and ‘creating’ a bubble hierarchy . . . describe nothing more than the manipulation of basic mathematical constructs, the paradigmatic ‘abstract idea’”).

The courts have also held that a claim may not preempt ideas, laws of nature or natural phenomena. The concern over preemption was expressed as early as 1852. See *Le Roy v. Tatham*, 55 U.S. (14 How.) 156, 175 (1852) ("A principle, in the abstract, is a fundamental truth; an original cause; a motive; these cannot be patented, as no one can claim in either of them an exclusive right."); *Funk Bros. Seed Co. v. Kalo Inoculant Co.*, 333 U.S. 127, 132, 76 USPQ 280, 282 (1948) (combination of six species of bacteria held to be nonstatutory subject matter). Accordingly, one may not patent every "substantial practical application" of an idea, law of nature or natural phenomena because such a patent "in practical effect be a patent on the [idea, law of nature or natural phenomena] itself." *Gottschalk v. Benson*, 409 U.S. 63, 71-72, 175 USPQ 673, 676 (1972).

A claim that requires one or more acts to be performed defines a process. The applicant's invention is directed to a method or a process and thus falls within an enumerated statutory class.

However, not all processes are statutory under 35 USC Section 101. To be statutory, a claimed process must either: (A) result in a physical transformation which a practical application is either disclosed in the specification or would have been known to a skilled artisan, or (B) be limited to a practical application which produces a useful, tangible, and concrete result. See *Diehr*, 450 U.S. at 183-84, 209 USPQ at 6.

Upon making the determination that the invention is a method or process that falls within an enumerated statutory class, the Examiner must now determine whether the claimed invention falls within one of the Section 101 judicial exceptions, i.e., is the



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invention directed to laws of nature, natural phenomena or an abstract idea. Moreover, in evaluating whether the claims meet the requirements of section 101, the Supreme Court requires the Examiner to consider the claims as a whole to determine whether the invention is for a particular application of an abstract idea, rather than an abstract idea itself.

**Exceptions: Laws of nature, natural Phenomena and Abstract Ideas:**

Inventions directed to nothing more than abstract ideas (such as mathematical algorithms), natural phenomena, and laws of nature are not eligible and therefore are excluded from patent protection. *Diehr*, 450 U.S. at 185, 209 USPQ at 7; accord, e.g., *Chakrabarty*, 447 U.S. at 309, 206 USPQ at 197; *Parker v. Flook*, 437 U.S. 584, 589, 198 USPQ 193, 197 (1978); *Benson*, 409 U.S. at 67-68, 175 USPQ at 675; *Funk*, 333 U.S. at 130, 76 USPQ at 281. "A principle, in the abstract, is a fundamental truth; an original cause; a motive; these cannot be patented, as no one can claim in either of them an exclusive right." *Le Roy*, 55 U.S. (14 How.) at 175. Instead, such "manifestations of laws of nature" are "part of the storehouse of knowledge," "free to all men and reserved exclusively to none." *Funk*, 333 U.S. at 130, 76 USPQ at 281.

Thus, "a new mineral discovered in the earth or a new plant found in the wild is not patentable subject matter" under Section 101. *Chakrabarty*, 447 U.S. at 309, 206 USPQ at 197. "Likewise, Einstein could not patent his celebrated law that  $E=mc^2$ ; nor could Newton have patented the law of gravity." *Ibid*. Nor can one patent "a novel and useful mathematical formula," *Flook*, 437 U.S. at 585, 198 USPQ at 195; electromagnetism or

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steam power, *O'Reilly v. Morse*, 56 U.S. (15 How.) 62, 113-114 (1853); or "[t]he qualities of \* \* \* bacteria, \* \* \* the heat of the sun, electricity, or the qualities of metals," *Funk*, 333 U.S. at 130, 76 USPQ at 281; see *Le Roy*, 55 U.S. (14 How.) at 175.

While abstract ideas, natural phenomena, and laws of nature are not eligible for patenting, methods and products employing abstract ideas, natural phenomena, and laws of nature to perform a real-world function may well be. In evaluating whether a claim meets the requirements of section 101, the claim must be considered as a whole to determine whether it is for a particular application of an abstract idea, natural phenomenon, or law of nature, rather than for the abstract idea, natural phenomenon, or law of nature itself.

**Determine Whether the Claimed Invention Covers Either a § 101 Judicial Exception or a Practical Application of a § 101 Judicial Exception**

The Examiner must ascertain the scope of the claim to determine whether it covers either a § 101 judicial exception or a practical application of a § 101 judicial exception. The conclusion that a particular claim includes a § 101 judicial exception does not end the inquiry because "[i]t is now commonplace that an application of a law of nature or mathematical formula to a known structure or process may well be deserving of patent protection." *Diehr*, 450 U.S. at 187, 209 USPQ at 8 (emphasis in original); accord *Flook*, 437 U.S. at 590, 198 USPQ at 197; *Benson*, 409 U.S. at 67, 175 USPQ at 675. Thus, "[w]hile a scientific truth, or the mathematical expression of it, is not a patentable invention, a novel and useful structure created with the aid of knowledge of scientific

truth may be.” Diehr, 450 U.S. at 188, 209 USPQ at 8-9 (quoting Mackay, 306 U.S. at 94); see also Corning v. Burden, 56 U.S. (15 How.) 252, 268, 14 L.Ed. 683 (1854)(“It is for the discovery or invention of some practical method or means of producing a beneficial result or effect, that a patent is granted . . .”).

In light of the specification, it appears that the applicant is directing the invention to a system and method for providing system resource usage and usage-based cost. Assuming this is correct, the Examiner asserts that the applicant’s invention is directed an abstract idea. The Examiner now must determine if the applicant’s invention is a particular application of an abstract idea.

**Determine Whether the Claimed Invention is a Practical Application of an  
Abstract Idea, Law of Nature, or Natural Phenomenon (§ 101 Judicial  
Exceptions)**

For claims including such excluded subject matter to be eligible, the claim must be for a practical application of the abstract idea, law of nature, or natural phenomenon. Diehr, 450 U.S. at 187, 209 USPQ at 8 (“application of a law of nature or mathematical formula to a known structure or process may well be deserving of patent protection.”); Benson, 409 U.S. at 71, 175 USPQ at 676 (rejecting formula claim because it “has no substantial practical application”).

To satisfy section 101 requirements, the claim must be for a practical application of the § 101 judicial exception, which can be identified in various ways:

- (a). The claimed invention “transforms” an article or physical object to a

different state or thing.

(b) The claimed invention otherwise produces a useful, concrete and tangible result, based on the factors discussed below.

**a. Practical Application by Physical Transformation**

The applicant's invention does not transform an article or physical object to a different state or thing. Transferring goods allows the goods to remain in the same state, albeit allowing them to change physical locations.

**b. Practical Application That Produces a Useful, Concrete, and Tangible Result**

For eligibility analysis, physical transformation "is not an invariable requirement, but merely one example of how a mathematical algorithm [or law of nature] may bring about a useful application." AT&T, 172 F.3d at 1358-59, 50 USPQ2d at 1452. Since the Examiner determined that the claims do not entail the transformation of an article, the Examiner must review the claim to determine if the claim provides a practical application that produces a useful, tangible and concrete result. In determining whether the claim is for a "practical application," the focus is not on whether the steps taken to achieve a particular result are useful, tangible and concrete, but rather that the final result achieved by the claimed invention is "useful, tangible and concrete." The claim must be examined to see if it includes anything more than a § 101 judicial exception. If the claim is directed to a practical application of the § 101 judicial exception producing a result tied to the physical world that does not preempt the judicial exception, then the claim

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meets the statutory requirement of 35 U.S.C. § 101. If the examiner does not find such a practical application, the examiner has determined that the claim is nonstatutory. In determining whether a claim provides a practical application that produces a useful, tangible, and concrete result, the examiner considers and weighs the following factors:

### **“USEFUL RESULT”**

For an invention to be “useful” it must satisfy the utility requirement of section 101. The USPTO’s official interpretation of the utility requirement provides that the utility of an invention has to be (i) specific, (ii) substantial and (iii) credible. MPEP § 2107 and Fisher, 421 F.3d at \_\_\_, 76 USPQ2d at 1230 (citing the Utility Guidelines with approval for interpretation of “specific” and “substantial”).

The Examiner asserts that the applicant’s invention has a specific, substantial and credible result and thus produces a useful result.

### **“TANGIBLE RESULT”**

The tangible requirement does not necessarily mean that a claim must either be tied to a particular machine or apparatus or must operate to change articles or materials to a different state or thing. However, the tangible requirement does require that the claim must recite more than a § 101 judicial exception, in that the process claim must set forth a practical application of that § 101 judicial exception to produce a real-world result. Benson, 409 U.S. at 71-72, 175 USPQ at 676-77 (invention ineligible because had “no substantial practical application.”). “[A]n application of a law of nature or

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mathematical formula to a ... process may well be deserving of patent protection.”

Diehr, 450 U.S. at 187, 209 USPQ at 8 (emphasis added); see also Corning, 56 U.S. (15 How.) at 268, 14 L.Ed. 683 (“It is for the discovery or invention of some practical method or means of producing a beneficial result or effect, that a patent is granted . . .”).

In other words, the opposite meaning of “tangible” is “abstract.”

The Examiner asserts that the method claim does not produce a real-world result; or beneficial effect and thus has no substantial application. The invention as claimed is either directed to a transfer goods, which does not result in a physical transformation or reduction of the goods to a different state or thing, or the invention identifies a abstract concept, and thus is directed to an abstract idea.

### **“CONCRETE RESULT”**

Another consideration is whether the invention produces a “concrete” result. Usually, this question arises when a result cannot be assured. In other words, the process must have a result that can be substantially repeatable or the process must substantially produce the same result again. In re Swartz, 232 F.3d 862, 864, 56 USPQ2d 1703, 1704 (Fed. Cir. 2000) (where asserted result produced by the claimed invention is “irreproducible” claim should be rejected under section 101). The opposite of “concrete” is unrepeatable or unpredictable. Resolving this question is dependent on the level of skill in the art.

The Examiner asserts that the applicant's invention is repeatable or predictable.

**Determine Whether the Claimed Invention Preempts an Abstract Idea, Law of Nature, or Natural Phenomenon (§ 101 Judicial Exceptions)**

Even when a claim applies a mathematical formula, for example, as part of a seemingly patentable process, the examiner must ensure that it does not in reality “seek[] patent protection for that formula in the abstract.” Diehr, 450 U.S. at 191, 209 USPQ at 10. “Phenomena of nature, though just discovered, mental processes, abstract intellectual concepts are not patentable, as they are the basic tools of scientific and technological work.” Benson, 409 U.S. at 67, 175 USPQ at 675. One may not patent a process that comprises every “substantial practical application” of an abstract idea, because such a patent “in practical effect would be a patent on the [abstract idea] itself.” Benson, 409 U.S. at 71-72, 175 USPQ at 676; cf. Diehr, 450 U.S. at 187, 209 USPQ at 8 (stressing that the patent applicants in that case did “not seek to pre-empt the use of [an] equation,” but instead sought only to “foreclose from others the use of that equation in conjunction with all of the other steps in their claimed process”). “To hold otherwise would allow a competent draftsman to evade the recognized limitations on the type of subject matter eligible for patent protection.” Diehr, 450 U.S. at 192, 209 USPQ at 10. Thus, a claim that recites a computer that solely calculates a mathematical formula (see Benson) or a computer disk that solely stores a mathematical formula is not directed to the type of subject matter eligible for patent protection.

The applicant’s invention is effectively directed to an abstract concept. Thus, applicant is seeking protection of an abstract concept.

***Claim Rejections - 35 USC § 102***

The following is a quotation of the appropriate paragraphs of 35 U.S.C. 102 that form the basis for the rejections under this section made in this Office action:

A person shall be entitled to a patent unless –

(b) the invention was patented or described in a printed publication in this or a foreign country or in public use or on sale in this country, more than one year prior to the date of application for patent in the United States.

3. Claims 1-2 are rejected under 35 U.S.C. 102(b) as being anticipated by Al-Hilali et al. (US Patent Number 6,086,618).

As per claim 1, Al-Hilali et al. disclose a method for allocating resource usage costs in a computer system comprising a plurality of system resources, the method comprising:

determining a cost for each of the plurality of system resources (col. 4, lines 10-16);

determining a cost allocation method for each of the plurality of system resources from a plurality of available cost allocation methods (col. 9, lines 30-45);

determining resource usage by an organizational unit for each of the plurality of system resources (col. 1, lines 10-16); and

programmatically determining a cost of resource usage by the organizational unit based on the cost for each of the plurality of system resources, the cost allocation method for each of the plurality of system resources, and the resource usage by the organizational unit for each of the plurality of system resources (col. 4, lines 10-16).



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As per claim 2, Al-Hilali et al. disclose the method of claim 1, wherein each of the plurality of system resources comprises one or more cost elements, and wherein a cost allocation method is determined for each of the one or more cost elements (col. 2, lines 53-65).

As per claim 5, Al-Hilali et al. disclose the method of Claim 1, wherein the plurality of available cost allocation methods comprises a per usage time cost allocation method (col. 4, line 64 through col. 5, line 4).

As per claim 6, Al-Hilali et al. disclose the method of claim 1, wherein the plurality of available cost allocation methods comprises a per active days cost allocation method (col. 8, lines 10-19).

As per claim 7, Al-Hilali et al. disclose the method of claim 1, wherein the plurality of available cost allocation methods comprises a per number of activities cost allocation method (col. 8, line 63-col. 9, line 10; col. 12, lines 11-40).

As per claim 8, Al-Hilali et al. disclose the method of claim 1, wherein the plurality of available cost allocation methods comprises a per processing time cost allocation method (col. 9, lines 10-19).

As per claim 9, Al-Hilali et al. disclose the method of claim 1, wherein the determining resource usage by an organizational unit for each of the plurality of system resources comprises using a performance management system to collect usage data for one or more of the plurality of system resources (col. 10, line 61-col. 11, line 7).

As per claim 10, Al-Hilali et al. disclose a user profile is created that has all relevant data to simulate a certain anticipated number of users interacting with the mail service server application along with parameters or settings regarding the type of that behavior such that the totality of the profile information may be reduced to transaction rates (col. 17, line 64-col. 18, line 2). Information as to an employee data being imported from a human resources directory is non-functional language and given no patentable weight. Non-functional descriptive material cannot render non-obvious an invention that would otherwise have been obvious. See : *In re Gulack* 703 F.2d 1381, 1385, 217 USPQ 401, 404 (Fed. Cir. 1983) *In re Dembiczak* 175 F.3d 994, 1000, 50 USPQ2d 1614, 1618 (Fed. Cir. 1999). The specific example of non-functional descriptive material is provided in MPEP 2106, Section VI: (example 3) a process that differs from the prior art only with respect to non-functional descriptive material that cannot alter how the process steps are to be performed. The method steps, disclosed would be performed the same regardless of employee data being imported from a human resources directory. Thus, this descriptive material will not distinguish the claimed invention from the prior art in terms of patentability. Therefore it would have been obvious to one of ordinary skill in the art at the time the invention was made to

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import data from a human resources directory because the human resources directory does not functionally relate to the steps in the method claimed.

As per claims 17 and 23, Al-Hilali et al. disclose a system for allocating resource usage costs for usage of a plurality of system resources, the system comprising:  
a usage analysis and cost allocation server (abstract);

a usage analysis and cost allocation database which is coupled to the usage analysis and cost allocation server (col. 7, line 58- col. 8, line 3);

wherein the usage analysis and cost allocation server is operable to:  
determine a cost for each of the plurality of system resources (col. 4, lines 10-16);

store the cost for each of the plurality of system resources in the usage analysis and cost allocation database (col. 9, lines 30-45);

determine a cost allocation method for each of the plurality of system resources from a plurality of available cost allocation methods (col. 9, lines 30-45);

store the cost allocation method for each of the plurality of system resources in the usage analysis and cost allocation database (col. 18, lines 31-43);

determine resource usage by an organizational unit for each of the plurality of system resources (col. 6, lines 31-44); and

determine a cost of resource usage by the organizational unit based on the cost for each of the plurality of system resources, the cost allocation method for each of the plurality of system resources, and the resource usage by the organizational unit for each of the plurality of system resources (col. 4, lines 10-16).

As per claim 18, Al-Hilali et al. disclose the system of claim 17, wherein each of the plurality of system resources comprises one or more cost elements, and wherein a cost allocation method is determined for each of the one or more cost elements (col. 2, lines 53-65).

As per claim 19, Al-Hilali et al. disclose the system of Claim 17, wherein the plurality of available cost allocation methods comprises a per usage time cost allocation method (col. 4, line 64 through col. 5, line 4).

As per claim 20, Al-Hilali et al. disclose the system of claim 17, wherein the plurality of available cost allocation methods comprises a per processing time cost allocation method (col. 9, lines 10-19).

As per claim 21, Al-Hilali et al. disclose the system of claim 17, wherein in determining the resource usage by an organizational unit for each of the plurality of system resources comprises using a performance management system to collect usage data for one or more of the plurality of system resources (col. 10, line 61-col. 11, line 7).

As per claim 22, Al-Hilali et al. disclose a user profile is created that has all relevant data to simulate a certain anticipated number of users interacting with the mail service server application along with parameters or settings regarding the type of that behavior such that the totality of the profile information may be reduced to transaction

rates (col. 17, line 64-col. 18, line 2). Information as to an employee data being imported from a human resources directory is non-functional language and given no patentable weight. Non-functional descriptive material cannot render non-obvious an invention that would otherwise have been obvious. See : *In re Gulack* 703 F.2d 1381, 1385, 217 USPQ 401, 404 (Fed. Cir. 1983) *In re Dembiczak* 175 F.3d 994, 1000, 50 USPQ2d 1614, 1618 (Fed. Cir. 1999). The specific example of non-functional descriptive material is provided in MPEP 2106, Section VI: (example 3) a process that differs from the prior art only with respect to non-functional descriptive material that cannot alter how the process steps are to be performed. The method steps, disclosed would be performed the same regardless of employee data being imported from a human resources directory. Thus, this descriptive material will not distinguish the claimed invention from the prior art in terms of patentability. Therefore it would have been obvious to one of ordinary skill in the art at the time the invention was made to import data from a human resources directory because the human resources directory does not functionally relate to the steps in the method claimed.

### ***Claim Rejections - 35 USC § 103***

The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

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**4. Claim 3-4 are rejected under 35 U.S.C. 103(a) as being unpatentable over Hilali et al. (US Patent Number 6,086,618), in view of Applicant's Admitted Prior Art (AAPA).**

As per claims 3-4, Al-Hilali et al. does not expressly disclose the method of claim 1, wherein the plurality of available cost allocation methods comprises a per license cost allocation method; and wherein the plurality of available cost allocation methods comprises a per headcount cost allocation method.

However, AAPA disclose prior approaches have generally used "head counts" (e.g., number of software licenses), arbitrary percentages, fixed "taxation" models, and similar allocation models (page 3 [0005]).

Therefore, it would have been obvious to one of ordinary skill in the art at the time the invention was made to modify the invention of Al-Hilali et al. to include the feature of AAPA in order to provide cost for have been obvious

### ***Conclusion***

5. The examiner has cited prior art of interest, for example:

1) Ruffin et al. (US Patent Number 6,968,324) which disclose a method, system and program product for evaluating a computational processing capacity migration between computer platforms

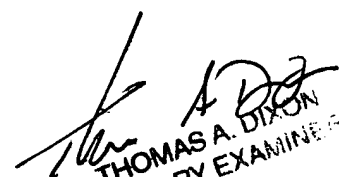
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6. Any inquiry concerning this communication or earlier communications from the examiner should be directed to Freda A. Nelson whose telephone number is (571) 272-7076. The examiner can normally be reached on Monday - Friday.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, John Hayes can be reached on 571-272-6708. The fax phone number for the organization where this application or proceeding is assigned is 571-273-8300.

Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free).

FAN 03/30/07



THOMAS A. DIXON  
PRIMARY EXAMINER